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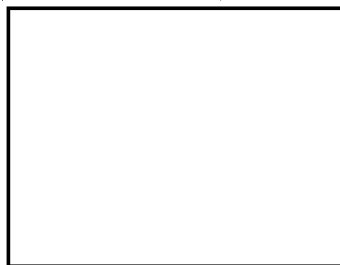
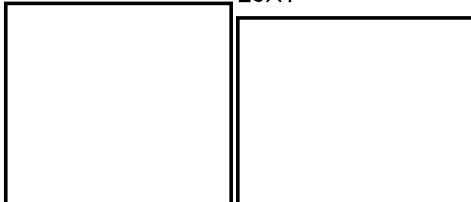
CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY Hungary

25X1 SUBJECT MÁVAG Engineering Works

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DATE DISTR. 3 MAY 1954

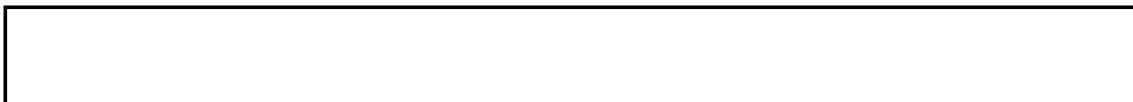
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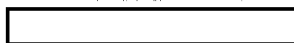
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1. The MÁVAG (Mágyar Allami Vas-, Acél-es-Gépgyár, or Hungarian National Iron, Steel and Engineering Works) at Diósgyőr near Miskolc (North Hungary) is one of the largest Hungarian works of the kind. It has existed since World War I. It was severely damaged in World War II, especially the brick factory, which was rebuilt in 1946. The magnesium factory was completely dismantled by the Soviets but was rebuilt in 1951. As a nationalized establishment the entire plant has been enlarged, modernized and put back into service.
2. The MÁVAG really consists of three different large plants:
 - a. The old factory with a large smelting works, electric steel works, iron foundry, alcohol factory and special workshops.
 - b. The new factory with its engine shop, assembly halls, ammunition factory magnesium factory, and a power plant.
 - c. The engineering works in Mexico-Tal with shops for making locomotive, tractor and gun parts and the manufacture of artillery ammunition. The MÁVAG also has its own brick factory.
3. Following are some details of the plant equipment. The electric steel works has two blast furnaces of 10 tons capacity each, two of two tons capacity, and two of one ton capacity. The Martin steel works has a blast furnace of 80 tons capacity, one of 60 tons, two of 40 tons, and two of 30 tons each;

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it also has four 70 ton cranes, not counting three cranes used to charge the blast furnaces. The Martin steel plant and the rolling mill and press are immediately adjacent to each other. The rolling mill and press occupy a building about 12 meters high and 200 meters long. The foundry at the old factory consists of five large shops in which work is done continuously. The smelter is a building 45 meters high, and is one of the most important works of this kind in Hungary.

4. The ammunition factory has been put into service since 1950. It is separated from the other works installations by a fence. The engineering plant in Mexico-Tal was built in 1950. There is a rifle range behind it where products of the plant are tested by military experts.
5. The main building of the magnesium factory is 25 meters high and about 70 by 25 meters in area. The brick factory is an L-shaped building about 120 by 30 meters. The works also have a large storage for old iron which was set up in 1952 near the airfield.
6. There is a plant railway for transporting material within the works and bringing coal from the mines nearby, but its equipment is antiquated. The locomotive park consists of 31 small engines, two of which have gasoline engines. There are also two Juno locomotives and one that was built originally for Yugoslavia.
7. The mechanical equipment of the whole plant consists in the greater part of old machinery, which nevertheless is in apparently good condition in spite of overloading in recent years. A few machines of Soviet make have been installed in these last years.
8. Production. The plant works almost exclusively for the armament industry. The principal products are railway rails, heavy machinery, steel plate, bar iron, iron girders, turbine shells, gun parts and shells.
9. The iron ore for the smelting works is shipped in from the USSR. This powdery ore is difficult to treat because of its poor quality. It is supplemented with old iron, which is collected all over Hungary. Coke is obtained from Poland and Czechoslovakia. The powdered coal for the smelters comes from the mines of Barosakna, by plant railway, and from Jukóvölgy and Alberttelep. A rubber-bank conveyor takes the coal directly to the furnaces.
10. The plant delivers its products to Hungarian industry, the Hungarian Army, and partly, also, to the USSR. The 75 mm, 122 mm, antitank and antiaircraft guns manufactured in Mexico-Tal go to the Hungarian and Soviet Armies.
11. Information about the volume of production is difficult to obtain. The Martin steel works produces 250 tons of steel daily. The two big furnaces in the smelting works are tapped every two hours and yield 2.5 tons of iron a piece each time, or a total of 20 tons per shift for the two furnaces. The rolling mill's production amounts to several carloads daily. The brick factory has a daily capacity of 4,000 bricks. The quotas under the production plan are very high, but it is impossible to meet them because of the poor quality of the raw material, although there is no difficulty as to the quantity of the supply. Nearly 40 percent of the production has to be rejected as waste.

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12. The plant employs between 18,000 and 20,000 hands, all free labor. Their ages run from 25 to 45. Women are employed only as helpers. The entire plant operates on a three-shift system. Those divisions where work cannot be interrupted for technical reasons (for example, the blast furnaces) operate on Sundays and holidays also. The workers are not satisfied with their pay, because it depends on the fulfillment of norms. A skilled foundry workman gets 650 to 750 forints a month, a foreman about 1,000 forints, a helper 400 to 500 forints, and a locomotive engineer about 800 forints. There is no overtime work, except that workers who have not filled their norms are given opportunity to do so in overtime. There are regular work competitions, either within departments or in competition with other similar departments. The plant maintains its own training school for learners.
13. The plant is under the authority of the Ministry for Heavy Industry. The general director is the former foreman Ferenc Herceg, a convinced Communist about 50 years old. The plant Party secretary is the former official József Toth, about 40 years old, a virulent Communist. The director of personnel is the former official Tibor Anklí, a convinced Communist about 50 years old. The foundry manager is a non-Communist expert, Engineer Medgyesi, about 48 years old. He is retained in his position only on account of his professional skill. The foundry Party secretary is a 30 year old Communist and former foundry worker, József Kiss. The labor union delegate is a 25 year old former worker's helper named Bertalan Vámosi. The superintendent of the electric steel shop is named Czacsorczy and the assistant superintendent is Illiás; both are former factory workers, convinced Communists, and between 40 and 45 years old. The head of the Martin steel works is the 50 year old expert, Sándor Mártonyi. The assembly foreman is Barna Harangozó, a former worker's helper and radical Communist. The smelting works superintendent is an old expert, Tibor Gönczi, not a Communist, but subservient to them from pure fear. The smelter foremen, János Ilóczy and István Werner, are both Communists and disagreeable slave drivers. The charging house superintendent is a non-Communist, Engineer József Simon. The charging house (Heizhaus) Party secretary is a 25 year old Communist, László Görgelyi. The superintendent of the railway division is László Orczi, a former distiller and convinced Communist, 45 years old. The rolling mill superintendent is a 28 year old former worker's helper, László Parkas, who was an opponent of the regime until a few years ago.
14. The works are visited periodically by inspectors of the Ministry; the ammunition factory and the departments concerned with war economy are also visited by military inspectors. Soviet visitors apparently come seldom, and then usually in civilian dress. However Soviet experts always take part in the dispatching of shipments to the USSR.
15. The plant is guarded by its own plant police, who wear black uniforms and are armed with rifles. The engine factory and the electric steel factory are more closely guarded than the other parts of the works. The old and the new factories have sentry boxes around them, about 500 meters apart. Besides these standing posts there are day and night patrols. At Mexico-Tal the guard posts are only about 100 meters apart. The plant guards have a total strength of about 300 men. Strangers are forbidden to enter the plant premises. They are permitted, at most, to enter the administration building after close interrogation. All the employees have picture-passes which only entitle them to enter their particular departments.

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